

Town of Hillsborough

Housing Element

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JANUARY 10, 1995

RESOLUTION NO. 95 - 3

RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF HILLSBOROUGH
TO ADOPT THE 1995 HILLSBOROUGH HOUSING ELEMENT

RESOLVED, by the City Council of the TOWN OF HILLSBOROUGH, County of San Mateo, State of California, that:

WHEREAS, the Town of Hillsborough, acting in the public interest, has undertaken to update the 1972 Housing Element in accordance with State law and guidelines; and

WHEREAS, the Hillsborough City Council established an extensive program of community involvement, including appointment of a Steering Committee made up of the Mayor, one Council member, and three members of the public, representing different geographic areas and economic segments of the Town; and

WHEREAS, the Steering Committee met on August 3, August 29, and September 27, 1994; and

WHEREAS, in August 1994, the Town distributed a housing survey to all residences, asking for information on Hillsborough households earning less than 80 percent of the area median income and inviting all citizens to participate in the Housing Element process; and

WHEREAS, on October 17, 1994, a workshop session was held with the "Property Owners of Hillsborough," a recognized group of residents and property owners, to answer questions and solicit comments; and

WHEREAS, the Hillsborough City Council met to consider the Housing Element on August 8 and August 22, 1994; and

WHEREAS, the Hillsborough City Council held public hearings on the draft Housing Element on October 24, 1994, and January 9, 1995; and

WHEREAS, a negative declaration was prepared and circulated according to the provisions of the California Environmental Quality Act; and

WHEREAS, on January 9, 1995, the City Council approved the negative declaration; and

WHEREAS, the City Council considered all testimony, written and oral, on the draft 1995 Housing Element; and

WHEREAS, notice of City Council Public Hearings on the draft 1995 Housing Element was prepared and noticed in conformance with State law; and

WHEREAS, after considering the data, facts, and public testimony, the City Council made the following findings:

1. The 1995 Hillsborough Housing Element has been prepared in accordance with State law and State guidelines and supersedes all previously adopted Housing Elements.

2. The Housing Element addresses all relevant issues as required by Government Code §65583 et seq., and those additional issues raised by the community.

3. Each issue has been adequately studied and analyzed and is addressed through goals, policies, and programs, as well as data and background information contained in the Housing element text.

4. The Housing Element of the General Plan has been revised in accordance with Article 10.6 of the Government Code and sets forth, in good faith, the efforts of the Town of Hillsborough to provide opportunities for affordable housing.

5. The Housing Element was submitted to the State Department of Housing and Community Development in draft form on October 27, 1994, which is at least 45 days prior to adoption of the Housing Element, and the department's written comments were received by the Town in a letter dated December 15, 1994, and the City Council took said comments into consideration and made changes to the draft Housing Element prior to adopting the Housing Element.

6. The Department of Housing and Community Development found that the draft Housing Element "...addresses many of the compliance issues identified in our April 30, 1993, review of an earlier draft general plan and housing element. For example, the draft element includes a more thorough analysis of governmental constraints within the city, and proposes more varied housing opportunities. Given the Town's development constraints, proposed programs such as allowing second units, allowing housing on institutional sites, and permitting conversion of existing larger homes to duplexes, represent important efforts to address unmet local housing needs."

7. The Housing Element contains an assessment of the housing needs and an inventory of resources and constraints relevant to the

meeting of those needs as required by Government Code §65583, through:

- a. An analysis of population and employment trends and a quantification of the Town's existing and projected needs for all income levels including the Town's share of regional housing need, based on the most recent projections of future growth. (Housing Needs Analysis, pages 3-7)
 - b. An analysis of household characteristics, including level of payment compared to ability to pay, overcrowding, and housing stock condition. (Existing Need, page 3; Existing Housing, pages 11-13)
 - c. An inventory of land suitable for residential development. (Land Availability, pages 13-15)
 - d. An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels. (Governmental Constraints, page 15-18)
 - e. An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels. (Nongovernmental Constraints, page 18-20)
 - f. An analysis of special housing needs such as those of the handicapped, elderly, large families, families with female heads of households, and families and persons in need of emergency shelter. (Special Needs, pages 8-9)
8. The Housing Element contains a statement of the community's goals, policies, and quantified objectives, relative to the maintenance, preservation, improvement, and development of housing. (Part 2: Housing Goals, Policies and Programs, pages 21-29)
9. The Housing Element sets forth a seven-year schedule of actions the Town is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element. This schedule:
- a. Identifies adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of housing types for all income levels. (Land Availability, pages 13-15)

1. An analysis of population and employment trends and a
classification of the headquarter and principal means
for all those heads as required by Government Code 52725.2
and the related laws, based on the most recent
information of those heads. (Government Code 52725.2)

2. An analysis of those heads as required by Government Code 52725.2
and the related laws, based on the most recent
information of those heads. (Government Code 52725.2)

3. An analysis of those heads as required by Government Code 52725.2
and the related laws, based on the most recent
information of those heads. (Government Code 52725.2)

4. An analysis of those heads as required by Government Code 52725.2
and the related laws, based on the most recent
information of those heads. (Government Code 52725.2)

5. An analysis of those heads as required by Government Code 52725.2
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6. An analysis of those heads as required by Government Code 52725.2
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information of those heads. (Government Code 52725.2)

7. An analysis of those heads as required by Government Code 52725.2
and the related laws, based on the most recent
information of those heads. (Government Code 52725.2)

8. An analysis of those heads as required by Government Code 52725.2
and the related laws, based on the most recent
information of those heads. (Government Code 52725.2)

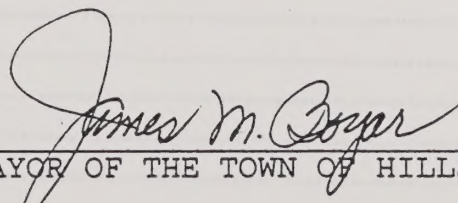
9. An analysis of those heads as required by Government Code 52725.2
and the related laws, based on the most recent
information of those heads. (Government Code 52725.2)

- b. Assists in the development of adequate housing to meet the needs of low- and moderate-income households. (Programs 1-A1, 1-A3, 1-B1, 1-B2, 3-B2)
- c. Addresses and where appropriate and legally possible, removes government constraints to the maintenance, improvement, and development of housing. (Programs 2-A1, 2-B1, 2-C1, 3-A1, 3-A2, 3-B1, 3-C1, 3-E1)
- d. Conserves and improves the condition of existing affordable housing. (Program 3-D1)
- e. Promotes housing opportunities for all persons regardless of age, race, color, religion, sex, marital status, national origin, ancestry, or occupation. (Program 4-A1)

10. The Town has zoned sufficient land for residential use and has created programs to promote the development of affordable housing. However, the affordability of housing and the Town's ability to meet its fair share of the regional housing need depend on the cost of land and the cost of financing, two factors that are beyond the Town's ability to control.

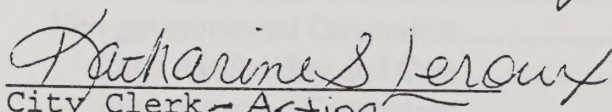
11. The Housing Element is directly related to and consistent with the other elements of the General Plan adopted in 1994 as amended in January 1995.

NOW, THEREFORE, BE IT RESOLVED, that the Hillsborough City Council hereby adopts the 1995 Hillsborough Housing Element attached hereto as Exhibit A, as the official planning policy for the Town of Hillsborough.



MAYOR OF THE TOWN OF HILLSBOROUGH

ATTEST:



City Clerk - Acting

I hereby certify that the foregoing is a true and correct copy of the Resolution adopted by the City Council of the Town of Hillsborough, California, at its regular meeting held on the 9th day of January, 1995, by the following vote of the members thereof:

AYES: Council Members Kelly, Mullooly, Boyar

NOES: Council Members Adams, Auer

ABSENT: Council Members None

ABSTAIN: Council Members None

a. Section 10 of the new law of 1934, which provides for the establishment of a new system of public health service, is hereby approved. (Approved 1934, 1-15, 1-20, 1-25, 2-10)

b. Section 11 of the new law of 1934, which provides for the establishment of a new system of public health service, is hereby approved. (Approved 1934, 1-15, 1-20, 1-25, 2-10)

c. Section 12 of the new law of 1934, which provides for the establishment of a new system of public health service, is hereby approved. (Approved 1934, 1-15, 1-20, 1-25, 2-10)

d. Section 13 of the new law of 1934, which provides for the establishment of a new system of public health service, is hereby approved. (Approved 1934, 1-15, 1-20, 1-25, 2-10)

e. Section 14 of the new law of 1934, which provides for the establishment of a new system of public health service, is hereby approved. (Approved 1934, 1-15, 1-20, 1-25, 2-10)

f. Section 15 of the new law of 1934, which provides for the establishment of a new system of public health service, is hereby approved. (Approved 1934, 1-15, 1-20, 1-25, 2-10)

g. Section 16 of the new law of 1934, which provides for the establishment of a new system of public health service, is hereby approved. (Approved 1934, 1-15, 1-20, 1-25, 2-10)

h. Section 17 of the new law of 1934, which provides for the establishment of a new system of public health service, is hereby approved. (Approved 1934, 1-15, 1-20, 1-25, 2-10)

i. Section 18 of the new law of 1934, which provides for the establishment of a new system of public health service, is hereby approved. (Approved 1934, 1-15, 1-20, 1-25, 2-10)

j. Section 19 of the new law of 1934, which provides for the establishment of a new system of public health service, is hereby approved. (Approved 1934, 1-15, 1-20, 1-25, 2-10)

k. Section 20 of the new law of 1934, which provides for the establishment of a new system of public health service, is hereby approved. (Approved 1934, 1-15, 1-20, 1-25, 2-10)

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PART 1: HOUSING NEEDS, RESOURCES, AND CONSTRAINTS

Introduction

Purpose of the Housing Element

The Housing Element of the Hillsborough General Plan is intended to plan for the housing needs of the Hillsborough community. The Housing Element includes an analysis of housing needs in Hillsborough, the resources available to meet those needs, and the governmental and non-governmental constraints that tend to work against increasing the supply of affordable housing. Goals, policies, and action programs have been developed to allow the Town to use its limited financial resources and buildable land to maximum advantage.

The Hillsborough Housing Element represents a sincere and creative attempt to meet local and regional housing needs in a community that doesn't seem to meet any urban norms. The Town has developed innovative ways to provide housing for all segments of the population, within the constraints of very limited land availability, the extreme steepness of the terrain, and the extraordinarily high cost of land in Hillsborough.

Review of Accomplishments of Previous Housing Element

The Town's previous Housing Element, adopted in 1972, consisted of a single page which explained the town's residential zoning and stated the community's desire to develop on "an exclusively single-family residential basis." Since 1972, the town has developed exclusively through the construction of single-family houses.

State Housing Element Law

State Planning and Zoning Law requires that cities update their housing elements every five years. For cities (like Hillsborough) within the purview of the Association of Bay Area Governments (ABAG), a deadline of July 1, 1990, was set for adoption of a housing element for the planning period 1990–1995. Subsequent legislation provided for the next housing element revision to cover the planning period 1997–2002, to be completed by June 30, 1997. Hillsborough did not adopt a revised housing element by the 1990 deadline. Consultants were hired and efforts were made to draft and include a housing element in the Town's updated General Plan (adopted January 1994), but the housing portions were not adopted, and the Town currently has no housing element applicable to the 1990–1997 period.

Because this Housing Element was prepared so late in the 1990–95 planning cycle, it departs from the standard in two ways. First, the entire element, including the needs analysis and programs, covers the period 1995–2002. I.e., this element plans for the upcoming seven-year period, recognizing that an updated element will be due in 2002. Second, instead of basing the

quantified objectives on ABAG's outdated and inflated 1989 *Housing Needs Determinations*, this element relies on ABAG's most recent *Projections 94*.

Public Participation. In August 1994, the Town Council appointed a small Steering Committee to work with the Town Planner and the consultants in preparing this Housing Element. The Committee consisted of three members of the public, representing different geographic areas and economic segments of the town. Homeowners, renters, and institutions were represented. The Mayor and a Council member participated ex officio. The steering committee met three times in August and September 1994. In addition, on October 17, 1994 a workshop session was held with the "Property Owners of Hillsborough," a recognized group of residents and property owners, to answer questions and solicit comments. The Hillsborough Town Council held a public hearing on the Draft Housing Element on October 24, 1994.

Perhaps the most important and successful outreach was the mailing, in August 1994, of a housing survey to all residences as an insert in the town newsletter. The survey was targeted to Hillsborough households earning less than 80 percent of the area median income. The questionnaire asked about the types of housing units occupied by lower-income households and invited all citizens to participate in the Housing Element process. (See Appendix A, page 31, for a copy of the survey questionnaire. See page 9 of this Element for the survey results.)

HCD Review. Because "the availability of housing is of vital statewide importance,"¹ the Housing Element is subject to specific State legal requirements in addition to what the law spells out for other general plan elements. The Town is required to submit the Housing Element to the State Department of Housing and Community Development (HCD) for review. HCD is required to review the element within 45 days for compliance with State housing element law (Government Code Article 10.6) and related guidelines, and to provide written comments to the Town along with a determination as to whether, in the opinion of HCD, the element is in substantial compliance with the requirements of State law.

This Housing Element was submitted to HCD on October 27, 1994. In a letter of December 15, 1994, HCD responded that the element was not in substantial compliance with Article 10.6. The Town received the HCD comments and made changes to the Housing Element to accommodate the majority of HCD's comments.

Self-Certification. State law provides that when HCD makes a determination that the Housing Element is not in substantial compliance with the provisions of the State housing element law, the town may, nevertheless, adopt the Housing Element as a part of its General Plan, accompanied by "written findings which explain the reasons the legislative body believes that the draft element ... substantially complies with the requirements of [Article 10.6] despite the findings of [HCD]."²

¹ Government Code §65580

² Government Code §65585(f)(2)

Accordingly, the Town Council, on January 9, 1995, adopted this Housing Element by Resolution No. 95-31. The adopting resolution includes the required written findings, certifying that this element is in substantial compliance with State housing element law.

Consistency with Other General Plan Elements

State law requires all elements of the General Plan to be consistent. The adoption of the Goals, Policies, and Programs of this Housing Element required minor changes to other elements of the General Plan. The Town reviewed those inconsistencies and amended the General Plan to be consistent with the Housing Element.

Housing Needs Analysis

By State law, the Hillsborough housing needs assessment is based on an analysis of regional housing needs prepared by ABAG. ABAG determines the overall housing needs of the Bay Area based on projections of population and job growth, and attempts to allocate a "fair share" of the regional needs to each of the Bay Area's cities. The last regional determinations were made in 1989.³ The ABAG *Housing Needs Determinations* provide an estimate of the number of units required to meet the existing housing need and the additional number of units required to meet the expected demand from new households in all income categories. In addition to looking at ABAG's assessments, this Housing Element also analyzes groups of people with special housing needs.

Existing Need

Under State law, a housing element is required to analyze each of the subjects below.

Need for additional units. ABAG estimated that, as of 1990, Hillsborough needed an additional 52 units to meet its then-existing and unmet demand for housing.³ The ABAG calculation was based on a comparison of vacancy rates in Hillsborough with the 4.5 percent rate considered necessary to provide "a range of choices" for home buyers. The 1990 census reported that 163 units (4.3 percent) were vacant in Hillsborough; only eight of those, however, were for rent.

Level of Payment Compared with Ability to Pay. Housing in Hillsborough is, by any standard, very expensive. For homes listed for sale in Hillsborough in May, June, and July 1994, the average listing price was over \$1.4 million. From April 1993 through March 1994, the lowest priced home sold for \$515,000; the highest priced home sold for \$2.5 million.⁴

The ability to afford ownership housing depends on current interest rates as well as household income. With mortgage interest rates in 1994 at approximately 8 percent, purchasing the lowest priced homes in Hillsborough would require an income of about \$151,000.

³ ABAG, *Housing Needs Determinations*, 1989

⁴ Callan Realty, 1994

The limited amount of rental housing is more affordable. The average rent of \$1,146 reported by the 1990 Census would be affordable to a household with about \$45,000 annual income.

According to current State housing policy, households that pay more than 30 percent of their income for housing are overpaying. ABAG, in 1989, estimated that 64 percent of Hillsborough's lower-income homeowners were overpaying and 15 percent of lower-income renter households were overpaying. According to 1990 census figures, 202-235 lower-income owners and 13-25 lower-income renters are currently overpaying for housing. Overpayment is not considered to be as much of a problem for households above the lower-income level (80 percent of the area-wide median income) because higher-income households may be voluntarily spending more of their additional income on housing. At the opposite extreme, households with very-low incomes (less than 50 percent of area median) are presumed to be sacrificing other necessities in order to meet their housing payments.

Overcrowding is measured by a standard of more than one person per room (excluding kitchens and bathrooms) and is not a problem in Hillsborough. Only 29 houses (less than 1 percent) had more than one person per room. Given the large average unit size in Hillsborough (8.4 rooms), the problem of overcrowding for these 29 households is likely to stem from an inability to afford sufficient space rather than a lack of units of adequate size.

Projected Need

ABAG Projections. ABAG uses a computer model of the Bay Area economy to project future growth in jobs and housing. The model incorporates national and regional economic trends and local development policies and infrastructure constraints to predict the location and types of jobs, and the expected increase in the number of households for the nine Bay Area counties, for each of the cities, and for the unincorporated areas. These projections are updated periodically; the latest edition is *Projections 94* (see Figure 1).

The *Housing Needs Determinations* are based on projected increases in the number of households. The most recent *Housing Needs Determinations* were released in 1989, and were based on *Projections 87*. Although ABAG has issued three subsequent revisions to the household projections (1990, 1992, and 1994), a new "Housing Needs Determinations" will not be issued until 1996, in time for the Bay Area's next round of housing element revisions.

Without question, the 1989 *Housing Needs Determinations* are based on outdated projections of household growth. *Projections 87* estimated that Hillsborough would have 3,800 households by 1995; *Projections 94* indicates only 3,710 households by that date. Farther in the future, the difference is even greater: *Projections 87* predicted 3,920 households by 2005; *Projections 94* predicts only 3,830.

ABAG's 1989 *Housing Needs Determinations* estimated that Hillsborough would need 187 new units to meet the housing demand from new households between 1990 and 1995, in addition to

FIGURE 1. ABAG PROJECTIONS FOR HILLSBOROUGH

| | 1990 | 1995 | 2000 | 2005 | 2010 |
|-------------------------------|--------------------|--------|--------|--------|--------|
| Population | 10,667 | 11,200 | 10,800 | 10,900 | 10,900 |
| Household Size | 2.94 | 3.02 | 2.86 | 2.85 | 2.81 |
| Households | 3,626 | 3,710 | 3,780 | 3,830 | 3,880 |
| Employed Residents | 4,905 | 4,900 | 5,000 | 5,100 | 5,200 |
| Jobs | 1,110 ⁵ | 1,140 | 1,260 | 1,280 | 1,300 |
| Jobs/Employed Residents Ratio | 0.23 | 0.23 | 0.25 | 0.25 | 0.25 |

Source: ABAG, *Projections 94*

the 52 units needed to meet the then-existing demand. ABAG's latest household projections clearly indicate their estimate of 187 was too high.

ABAG's 1994 projections are for 3,800 households in Hillsborough in 2002. In 1994 there were 3,681 households in Hillsborough. To provide housing for these new households would require 119 additional units between 1995 and 2002. However, the 1994 vacancy rate in Hillsborough was only 3.9 percent. To achieve the ABAG-target vacancy rate of 4.5 percent in 2002 would require an additional 29 units, for a total of 148. Therefore this Housing Element is based on meeting the goal of 148 additional units between 1995 and 2002.

Need by Income Category. In order to meet State goals to provide housing for all economic segments of the community, ABAG allocates the overall fair share need among four different income categories. These categories are:

Very Low-income = less than 50 percent of area median

Low-income = 50 to 80 percent of area median

Moderate-income = 80 to 120 percent of area median; and

Above Moderate-income = more than 120 percent of area median.

unless adjusted for high housing costs and high incomes.

The very-low and low-income categories are often lumped together as "lower-income." The income limit for each category is defined by the federal Department of Housing and Urban Development (HUD), based on area median income, with adjustments for areas with unusually high-housing costs or high incomes. The San Francisco Primary Metropolitan Statistical Area (PMSA), which includes Hillsborough, is both a high-housing cost and high-income area.

⁵ The last economic census in 1987 showed only 171 jobs in Hillsborough. Some job categories are not included in the economic census, and some data are not published at the city level; so the presumption is that the census does not show all jobs in Hillsborough. The ABAG estimate, however, is considered unrealistically high by Town officials.

In 1994, the median income for San Francisco was estimated by HUD at \$57,600. Based on the 1994 median, the income maximums for each of the above categories are: very low-income, \$29,520; low-income, \$39,900, and moderate-income, \$70,200. Figure 2 shows the purchase price and rent levels affordable to households at these income levels.

FIGURE 2. HOUSING AFFORDABILITY

| Income Level | Income | Affordable Rent* | Affordable Purchase Price** |
|--------------|----------|------------------|-----------------------------|
| Very-low | \$29,520 | \$738 | \$93,127 |
| Low | \$39,900 | \$998 | \$125,873 |
| Moderate | \$70,200 | \$1,755 | \$221,461 |

*Affordable rent assumes 30% of income for rent, including utilities. If utilities are paid separately, the appropriate amount should be subtracted from the affordable rent.

**Affordable purchase price assumes a 10% downpayment and a 30-year fixed mortgage at 8% interest. Assumes 25% of income for mortgage payment; additional 5% for taxes, insurance, homeowners dues.

Source: Income figures from HUD, rent and purchase price from Naphtali H. Knox & Associates

The 1989 *Housing Needs Determinations* indicated a need for 36 very-low income units (15 percent of 239), 29 low-income units (12 percent), 38 moderate-income units (16 percent), and 136 above-moderate-income units (57 percent). These proportions were based on averaging Hillsborough's then-existing percentages of households in each income category with the county and regional percentages. This system of averaging was developed by ABAG to avoid concentrating additional lower-income housing in those areas that already have high proportions of units affordable to lower-income categories. As a result, the ABAG system proposes to add affordable housing to communities that have only small percentages of such housing now.

Jobs/Housing Balance

The lack of affordable housing and the Bay Area's ever-increasing traffic congestion have brought attention to the concept of "jobs/housing balance" (providing an adequate number of appropriately located housing units to accommodate all of the Bay Area's jobs). The jobs/housing balance is usually measured by the number of jobs in a community divided by the number of employed persons living in that community. As shown in Figure 1, using the ABAG projections, Hillsborough has a jobs-to-employed residents ratio of 0.25, indicating that the town is providing a considerable proportion of its housing for people who work elsewhere. In terms of the overall Bay Area jobs/housing imbalance, a community (such as Hillsborough) with a ratio below 1.0, is alleviating rather than aggravating the Bay Area's housing shortage.

ABAG's job estimates (Figure 1, page 5) are considerably higher than estimates made by others. Figure 3 shows the actual number of jobs (477) based on a Town survey of employers in August

1994. By comparison, the 1987 Economic Censuses by the U.S. Bureau of the Census reported 171 jobs in Hillsborough (30 in wholesale trade, 19 in retail trade, and 122 in services).

FIGURE 3. EMPLOYMENT IN HILLSBOROUGH

| Employer | Full-time Employees | Part-time Employees | Total Employees |
|-------------------------------|---------------------|---------------------|-----------------|
| Town of Hillsborough | 94 | 3 | 97 |
| Hillsborough School District | 130* | 0 | 130 |
| Burlingame Country Club | 55 | 45 | 100 |
| Nueva Learning Center | 52 | 25 | 77 |
| Crystal Springs/Upland School | 50 | 23 | 73 |
| Total Employment | 381 | 93 | 477 |

* Includes full-time and part-time.

Source: Town of Hillsborough, 1994

The 1990 census found 4,844 Hillsborough residents age 16 and over, were employed. As shown in Figure 4, 87.4 percent of Hillsborough's employed residents worked in San Francisco or San Mateo County. San Francisco was the most common destination, followed by San Mateo and Burlingame. Only 12.0 percent of Hillsborough's employed residents commuted outside of the San Francisco PMSA (San Francisco, Marin and San Mateo Counties).

FIGURE 4. WHERE HILLSBOROUGH RESIDENTS WORK

| Destination | Number | Percent |
|------------------------|--------------|---------------|
| San Francisco | 1,430 | 29.5% |
| San Mateo County | 2,806 | 57.9% |
| San Mateo | 806 | 16.6% |
| Burlingame | 556 | 11.4% |
| South San Francisco | 212 | 4.3% |
| Redwood City | 91 | 1.9% |
| Menlo Park | 57 | 1.2% |
| Other San Mateo County | 1,084 | 22.3% |
| Marin County | 25 | 0.5% |
| Outside PMSA | 583 | 12.0% |
| Total | 4,844 | 100.0% |

Source: U.S. Census 1990

Special Needs

In addition to examining the number of units needed to accommodate the projected number of households, this Housing Element analyzes six groups that have special housing needs because of disabilities, age, or other special conditions. Data are from the 1990 census.

Disabilities. The Census distinguishes three types of disabilities that may affect a person's ability to find suitable housing: *mobility limitations*, *self-care limitations*, and *work disabilities*. Persons with *mobility and self-care limitations* may require special housing modifications to enable them to live independently. Such limitations are much more common among the elderly than among those of working age. For those age 16 to 64 in 1990, only 99 Hillsborough residents (1.4 percent) had mobility or self-care limitations. Of those over 65, however, 218 persons (12.2 percent) had such limitations. The Town has continued to support organizations that provide these people with housing modifications as needed.

Persons with a *work disability* may have difficulty affording housing because of limited incomes. Of those age 16–64, only 161 Hillsborough residents (2.3 percent) had work disabilities in 1990. (The census does not indicate work disabilities for persons over 65.) People with work disabilities may be helped by lower cost housing. Some, however, also suffer from mobility or self-care limitations and require special modifications to their housing.

Elderly. According to the 1990 census, Hillsborough had 1,797 residents over 65 (16.8 percent of the population). The number of households occupied by elderly residents is 1,072 (many of these households have more than one elderly resident). Nearly all (99 percent) of the elderly households are homeowners. The proportion of elderly in San Mateo County is expected to grow from 12.3 percent in 1990 to 13.8 percent in 2005. If the proportion of elderly in Hillsborough rises at the same rate as the county's, 18.8 percent of Hillsborough's population will be over 65 in 2005. Housing the elderly will be a continuing concern on the Peninsula. Although many elderly can continue to live in their own homes, particularly if structural modifications are made to help them cope with the disabilities that accompany aging, there will nevertheless be an increasing demand for specialized care facilities.

Large Families. Probably because the 487 large households—those with five or more residents—make up 13.4 percent of all Hillsborough households, Hillsborough has an average of 2.94 persons per household, considerably higher than the county average of 2.64. Housing for large families is not a problem, however, because of the large size of most housing units in Hillsborough.

Female Heads of Households. The 172 families with a female head make up only 5.4 percent of Hillsborough families and 4.7 of total households. (The Census distinguishes between a "household," which is any group of people living together in a housing unit, and a "family," in which one or more persons are related to the householder by birth, marriage, or adoption.) Female-headed households frequently have lower incomes, and hence, more difficulty in finding affordable housing. They also may have greater needs for child care facilities and public transit.

Persons and Families in Need of Emergency Shelter. A 1990 study found that 8,655 men, women, and children had experienced an episode of homelessness in San Mateo County in the year between March 1989 and February 1990.⁶ Hillsborough has joined with other San Mateo County cities to work jointly toward a solution to the problem of homelessness. In accordance with the recommendations of the Blue Ribbon Commission on Homelessness, the County has established a trust fund to provide funding for homeless shelters and transitional housing. Each city in the county is asked to contribute to this trust fund, based on its share of county population. Hillsborough was one of the first cities to make a contribution to this fund.

Other Special Needs. ABAG has determined that housing for farmworkers is not relevant to housing needs in the urbanized portion of the San Francisco Bay Area.

Hillsborough's zoning ordinance allows housing for domestic workers to be incorporated within the main house, although there is no record of the number of homes providing this type of housing. No other special housing needs have been identified.

Hillsborough Housing Survey, 1994

In August 1994, the Town mailed a housing survey (see Appendix A, page 31, for a copy of the questionnaire) to each of the town's 3,600 households. The survey was designed specifically to learn more about the housing situations of the estimated 12 percent of Hillsborough's population with incomes below 80 percent of the area median (below \$46,080). The Town received 86 completed responses. Eighteen responses were considered invalid and were not tabulated. The 68 valid responses (incomes below \$46,080) represent 15.2 percent of the estimated 447 lower income households in Hillsborough.

The 15.2 percent response is high enough to provide a general picture of Hillsborough's lower-income households; however, the survey probably underrepresents lower-income renters and those who are provided rent-free housing in exchange for work. Figure 5 shows the number of survey respondents by age group and household type.

Survey Findings

- The survey reveals that the typical lower-income household in Hillsborough is an elderly woman, living alone or with one other family member, in a house that the family has owned for a long time.
- Not only are there lower-income households in Hillsborough (i.e., earning less than 80 percent of the median income); more than 40 percent of these households are defined as "very low-in-

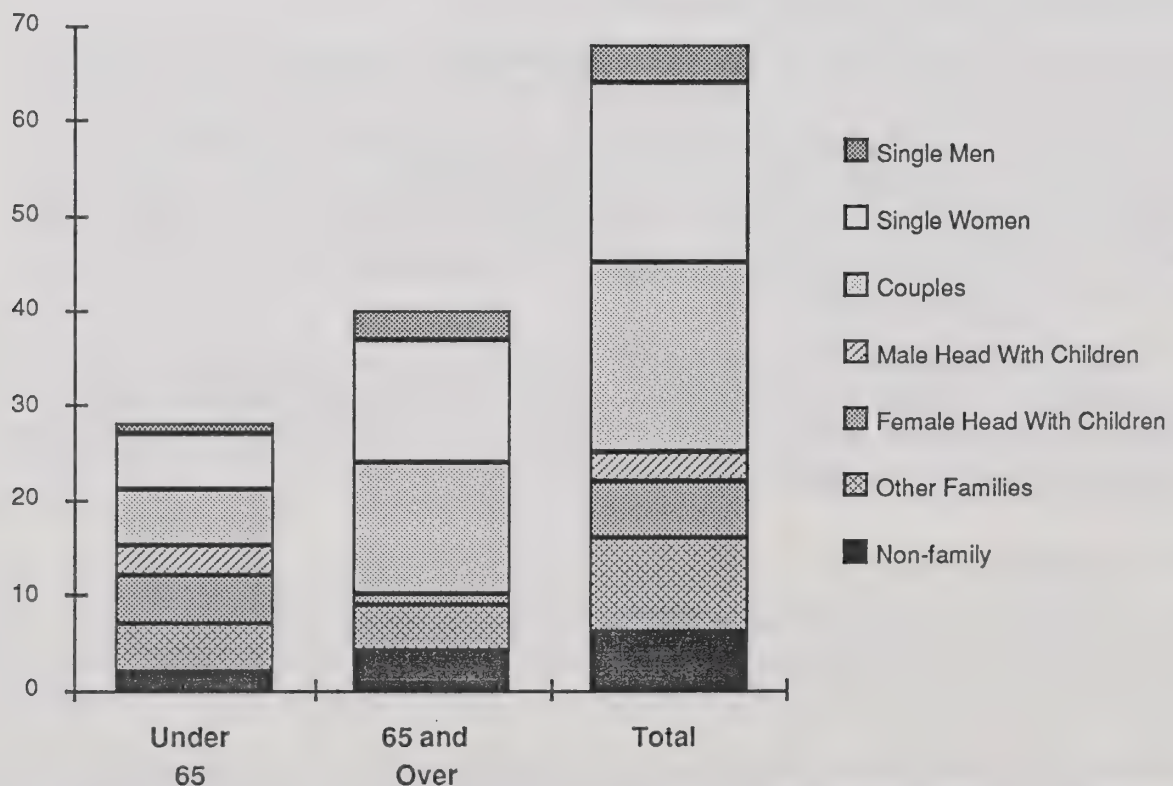
⁶ Hunger and Homeless Action Coalition, *Homelessness in San Mateo County: Myths and Realities*, 1990.

come" (earning less than 50 percent of the area median, i.e., less than \$28,800). Of the 68 valid responses, 28 (41 percent) had household incomes below \$28,800.⁷

- Hillsborough's lower-income households are generally long-time residents. Only seven of the 68 respondents have lived in Hillsborough for less than five years.
- The large majority of the low and very low-income households in Hillsborough are homeowners (57, or 84 percent); two respondents are renters; and nine respondents (13 percent) receive rent-free accommodations in exchange for work performed.
- Most (85 percent) of the very low- and low-income households live in single-family detached houses.

FIGURE 5. HILLSBOROUGH LOWER-INCOME HOUSEHOLDS

No. of Respondents



Source: Hillsborough Housing Survey, 1994

⁷ For the purposes of this housing survey, the income categories were not adjusted for the high income and high housing cost factors.

- The respondents' household sizes are small (just over two persons per household compared to about three per household for the town as a whole).
- Most of Hillsborough's lower-income residents are elderly. Nearly two-thirds of the very low- and low-income are age 65 and over.
- Lower-income elderly are more likely to live alone (40 percent, compared with 26 percent for non-elderly).
- Lower-income elderly are more likely to be homeowners: 98 percent owned their own homes compared to 64 percent for those under 65.
- Half of all lower-income households (34) are headed by women. Over half (19) of the female heads of households live alone.
- Over half (38) of the respondents said they live with other family members, usually in two-person households. Nearly three-quarters of these 38 families were headed by males, but the 26 percent that were headed by females is almost five times the incidence of female-headed households in the general Hillsborough population (5.4 percent).

The survey findings led to the development of several goals and policies with respect to housing and care for the elderly.

Housing Resources

Existing Housing

Number of Units. The 1990 Census showed 3,789 housing units in Hillsborough. The Census reported 21 units of multi-family housing and five mobile homes. According to town records, these units do not exist, except for a four-unit apartment building, since demolished, at the Town Hall site. The other 17 units recorded as multi-family and the five mobile homes probably resulted from errors in filling out census questionnaires, or errors made by census enumerators. The Town permits only single-family dwellings. The 3,789 housing units were occupied by 3,626 households. Of these households, 137 were renters and 3,489 were owners.

The State Department of Finance estimates that as of January 1, 1994, the number of dwelling units in Hillsborough increased to 3,828. This is consistent with Town records of building permits and demolitions between 1990 and 1994.⁸ Construction is falling short of the numbers in ABAG's 1989 *Housing Needs Determinations*, but is keeping pace with ABAG's *Projections 94* estimates of household growth in Hillsborough. Figure 6 compares the net increase in units (units constructed less demolitions) with the annual need based on the 1989 *Housing Needs De-*

⁸ Town records indicate 3,831 dwelling units as of July 1994. Town records are kept on a fiscal year basis, July through June.

terminations and Projections 94. The total actual net increase (right-hand column) and ABAG's totals for 1988–1995 from *Projections 94* match quite closely.

FIGURE 6. HOUSING UNIT CONSTRUCTION, 1988-1994

| Year | Housing Needs Determinations | Projections 94 | Actual Construction | Demolitions | Net Increase |
|--------------|------------------------------|----------------|---------------------|-------------|--------------|
| 88-89 | 26 | 4 | 39 | NA | 39 |
| 89-90 | 26 | 4 | 27 | 4 | 23 |
| 90-91 | 38 | 17 | 28 | 4 | 24 |
| 91-92 | 38 | 17 | 18 | 10 | 8 |
| 92-93 | 37 | 17 | 6 | 2 | 4 |
| 93-94 | 37 | 17 | 10 | 4 | 6 |
| 94-95 | 37 | 17 | NA | NA | NA |
| Total | 239 | 93 | 128 | 24 | 104 |

Source: ABAG, *Housing Needs Determinations (1989) Projections 94*, and Town of Hillsborough Building Dept.

Rate of Construction. According to ABAG's *Projections 94*, Hillsborough will have 3,710 households by 1995 and 3,800 by 2002. The town's 3,828 housing units (as of 1994) will accommodate the ABAG-projected number of households for 1995 and 2002. However, if no additional units were built, the vacancy rate would be 3.1 percent in 1995 and 0.7 percent in 2002, well below ABAG's desired target of 4.5 percent.

If sustained, the average rate of construction between 1988-1994 (21.3 units per year) would result in an additional 170 units by 2002 for a total of 3,998.⁹ This rate of construction would accommodate the projected increase of 119 households between 1994 and 2002 with a vacancy rate of 4.9 percent.

However, almost a quarter of the new construction in Hillsborough in recent years has been accompanied by demolition of older dwellings. An average of 4.8 units per year were demolished from 1989 to 1994. (Demolition figures for 1988 are not available.) Demolitions in Hillsborough are not usually the result of poor housing condition, but are instead a result of the desire of new households for larger and more modern homes.

Since some existing units are being demolished while new units are being built, the number of *net* new units is equal to the units built *minus* the units demolished. If demolitions continue at the existing rate of 4.8 units per year, the potential housing units in 2002 would be reduced by 38

⁹ 1995 and 2002 are important target years. They represent the final years of two successive housing element planning periods.

(from a potential of 3,998 down to a potential of 3,960 units). These 3,960 units would still accommodate the ABAG-projected number of households, with a vacancy rate of 4.0 percent.

Housing Condition. The housing stock in Hillsborough is in good condition. According to the 1990 census, 721 units were built before 1950, but due to the high value of Hillsborough homes and the generally high incomes of residents, these older homes are generally well-maintained. The census found only two units that were boarded up or abandoned. Over 1,000 units were built in the 1950s, the decade of most rapid growth in Hillsborough. Substantial construction continued in the 1960s and 1970s, but the rate of growth slowed in the 1980s and 1990s. As homes age, they need rehabilitation. In Hillsborough, this need is adequately met through private efforts and does not require a government program to maintain the quality of the housing stock.

Land Availability

Although substantially built out, Hillsborough has a number of sites available for new housing construction. No land in Hillsborough is designated for commercial development. Except for 220 acres designated for open space and some sites currently used for schools and Town facilities, all of the vacant buildable land is zoned for residential.

Figure 7 shows sites that may be available for additional housing between 1995 and 2002. Of the 131 available sites, eight can be subdivided to produce 33 lots; the remaining 123 sites would accommodate one lot each. A tentative map application is pending for the Hillsborough Highlands site. The Metaxas property and the Hayne Road site had tentative subdivision map approval as of August 1994. The Brooke Court site and 1300 Black Mountain Road have received final subdivision approval.

The approximately 181 acres of available land in Hillsborough (see Figure 7 below) could accommodate about 156 additional housing units. To provide for the 3,800 households that ABAG projects for Hillsborough in 2002, and to achieve ABAG's 4.5 percent target vacancy rate, 148 additional housing units will be needed. The sites available are therefore sufficient to meet the projected demand for housing in Hillsborough between 1995 and 2002.

Single-family dwellings are the only type of housing permitted in Hillsborough; no sites are zoned for multi-family housing. Mobile home parks are not permitted. (State law requires that any residential lot may be used for a single manufactured home under specific circumstances.¹⁰) There are no sites in Hillsborough that allow for homeless shelters or transitional housing.

Some land in unincorporated county areas adjacent to Hillsborough may have potential for additional housing. This land, however, is not in the Hillsborough Sphere of Influence (SOI). Housing development on these lands would require substantial effort on the part of the Town government to alter SOI boundaries and annex land to the Town.

¹⁰ Government Code §65852.3

FIGURE 7. VACANT LAND SUITABLE FOR HOUSING, 1995-2002

| Quad No. ¹¹ | Location ¹² | Acreage | Zoning | Constraints | Probable Units |
|--|--|--------------|-------------|-----------------|----------------|
| Sites available for subdivision | | | | | |
| B01 | Metaxas Property | 2.5 | residential | slope, drainage | 3 |
| C12 | Robinwood (Carolands Co.) | 20.0 | residential | slope | 3 |
| C18 | Hillsborough Highlands | 20.0 | residential | slope | 8 |
| D14 | 1300 Black Mountain Rd. | 5.5 | residential | slope | 3 |
| D20 | End of Brooke Court (Adjacent to CSM) | 11.0 | residential | slope | 3 |
| E06 | New Place Rd. (Adjacent to Crocker School) | 10.3 | residential | none | 5 |
| E12 | 1110 Hayne Rd. | 3.4 | residential | slope | 2 |
| G18 | 1100 Yew St. (L.C. Smith Ranch) | <u>12.1</u> | residential | -- | <u>6</u> |
| Subtotal | | 84.8 | | | 33 |
| 123 Individual Lots | | <u>96.0</u> | residential | various | <u>123</u> |
| Total | | 180.8 | | | 156 |

Source: Town of Hillsborough, 1994 (see Land Use Element, Table 1-3)

Potential Subdivision of Large Estates

Hillsborough began as a community of estates, with large homes occupying large parcels of several acres. As early as 1916, some of these estates were subdivided into residential neighborhoods with lots ranging from one-half acre to two acres in size. The estate subdivision process has continued into the 1990s with construction currently under way on the former Tobin Clark estate at the southern end of town. Hillsborough's subdivision ordinance will permit the conversion of the remaining estates into new residential neighborhoods consistent with the Town's requirements for a minimum lot size of one-half acre. Two remaining large estates, the Regan property of 49 acres and the De Guigne property of 47 acres are identified in the Land Use Element as "Potentially Subdividable Estates." The Town, however, has received no indication that the owners of these estates intend to subdivide. Further, the ability of these sites to accommodate new dwellings is limited by the need to provide road access and to increase lot size on steeply sloping land. As a result of these limitations, the Regan and De Guigne estates would be expected to eventually accommodate only 20 additional units.

Availability of Services

Water and sewer services are available for the number of housing units contemplated by this General Plan. The only potential constraint is a limitation of 200 additional units in the northern

¹¹ Quad Numbers refer to the Official Map of the Town of Hillsborough in the pocket at the front of the General Plan.

¹² Addresses are approximate and subject to change at the time of actual construction.

part of town served by the Burlingame sewage treatment plant. General Plan build-out in the north is not expected to exceed 200.

Financial Resources

Hillsborough has limited funds available for housing assistance. In the past, the Town has supported Samaritan House, Shelter Network, Center for the Independence of the Disabled, Hunger and Homeless Action Coalition, and the San Mateo County Homeless Trust Fund. Total Town expenditures on these housing-related programs have averaged \$1,165 annually from 1990 to 1994.

Existing Subsidized Units at-Risk

There are no subsidized housing units within the Town limits.

Governmental Constraints

Land Use Constraints

Hillsborough's zoning ordinance requires a minimum of one-half acre lots. Typically, lots of this size are considered large enough to act as a constraint to affordable housing. However, the purpose for the minimum lot size is to preserve the environmental stability and town character of Hillsborough. Where the Town has been subdivided and built at this density, a higher density can not be achieved without drastic alterations to the existing street system, which was designed for a very low volume of traffic. The narrow streets follow the contours of many hills and canyons. Indeed, many homes and entire neighborhoods are served only by cul-de-sacs. In these and other parts of the town, the steep terrain makes it impossible to widen streets or to construct connections between existing streets. For these reasons, it is not feasible in the foreseeable future to increase density in already developed parts of town.

In those few areas which have some future development potential, similar constraints apply. Many of the undeveloped parcels lie high in the hills or deep in the canyons, where higher density development would challenge the terrain and increase traffic on existing residential streets. In fact, there is no area of town sufficiently accessible to permit higher density development.

Development is also limited by the Town's requirement for 150 feet of continuous street frontage for each lot. As noted above under land availability, this regulation prevents the subdivision of lots larger than one acre that could otherwise accommodate two or more half-acre lots. The zoning ordinance, however, provides for an exception to the 150-foot frontage requirement for lots fronting on the turnaround area of a cul-de-sac. For lots on cul-de-sac turnarounds, a front-

age of 75 feet may be permitted if a longer frontage is impractical and less frontage is desirable to produce a satisfactory street pattern.¹³

Additional flexibility is provided by allowing variances from some of the zoning restrictions. If the shape of the lot, its physical condition, or natural obstacles make fulfilling the 150-foot lot frontage, 100-foot minimum width, or 20-foot setback requirements impractical, the owner may apply for a variance. The City Council decides whether to grant the variance.¹⁴

The potential for new units is also limited by the Town's "Hillside Development Standard." In order to retain the scenic quality of hillsides and reduce the risks of erosion and landslide, density is reduced on all slopes greater than 10 percent. The permitted density is limited according to the degree of slope, from 2 units per acre on slopes of less than 10 percent to 0.5 units per acre on slopes greater than 40 percent.

Prior to submitting a final subdivision map, a subdivider must file a preliminary soils report with the City Engineer.

To ease some of the difficulties associated with subdividing land in Hillsborough, the Town has developed a preliminary review process for subdivisions on land with a slope greater than 10 percent or resulting in five or more lots. This review will aid developers in preparing an Environmental Impact Report and an acceptable tentative map.¹⁵

Building Restrictions

Building regulations can increase the cost of housing. Three such constraints have been identified:

Minimum Floor Area. The Hillsborough zoning ordinance requires newly constructed houses to have a minimum of 2,000 square feet of living space. The Town's Architectural and Design Review Board (ADRB) evaluates all new development proposals to insure consistency with existing neighborhood character. The requirement for large dwellings and the review by the ADRB may increase the cost of housing, but these requirements are consistent with the aim of the General Plan to maintain the character of the community.

Noise Insulation. Policy 11-C of this General Plan encourages noise insulation measures for new homes in areas subject to high noise levels (primarily those areas near Interstate 280).

Parking Requirements. Houses with three or fewer bedrooms must have a two-car garage; houses with four or five bedrooms must have one additional parking space, and houses with six bedrooms must have two additional parking spaces. These additional parking spaces are not re-

¹³ Hillsborough Zoning Ordinance §17.24.030

¹⁴ Hillsborough Zoning Ordinance §17.40.010

¹⁵ Hillsborough Subdivision Ordinance §16.06.010

quired to be in a garage. The effect of these parking requirements on housing affordability cannot be determined, as all cities in the area have similar requirements.

On- and Off-site Improvements

Hillsborough does not require sidewalks; however, for new construction and substantial remodeling, the Town requires the installation of a parking strip adjacent to the street. All streets within the subdivision and one-half of the width of streets adjacent to the subdivision are the responsibility of the developer. Because most future housing will be constructed on infill lots where streets are already in place, the street improvement requirement will not be a significant constraint to affordable housing.

Developers are also required to provide water and sewer connections and storm drainage facilities. These are not considered constraints to housing development because they are necessary to safe and sanitary housing.

The General Plan Parks Element notes that Hillsborough may, in the future, require dedication of land for parks.

Slope stabilization measures are required for new construction on all sites with slope gradients above 15 percent.

Codes and Enforcement

Hillsborough regularly adopts the latest edition of the Uniform Building Code to insure the health and safety of residents of newly constructed housing. The Town enforces the building code through its Community Services department. Inspections and approvals are completed promptly and do not add unnecessary delays in the construction of new housing.

Fees

Figure 8 compares fees for construction of new housing in Hillsborough with fees in other San Mateo County cities. Hillsborough's fees appear higher than in some other cities because of the larger size and custom construction of most Hillsborough houses. Building and school fees are based on the square footage of the house. The fees for the other cities were estimated by the building industry association for a 1,500 sq. ft. house, estimates for Hillsborough are based on a typical 5,000 sq. ft. house being built in 1994. For example, school fees were \$1.56 per sq. ft. in Hillsborough, \$1.58 per sq. ft. in Half Moon Bay, and \$1.50 per sq. ft. in the other cities. Despite the much larger average house size, total fees in Hillsborough were lower than in Half Moon Bay.

FIGURE 8. FEES FOR HOUSING CONSTRUCTION

| City | Planning | Building | School | Traffic | Parks | Utility | Other | Total |
|---------------|----------|----------|--------|---------|-------|---------|-------|--------|
| Belmont | 416 | 1,535 | 2,250 | 0 | 6,000 | 2,810 | 0 | 13,011 |
| Foster City | 33 | 1,364 | 2,250 | 0 | 3,305 | 3,263 | 0 | 10,215 |
| Half Moon Bay | 160 | 1,437 | 2,370 | 1,390 | 6,336 | 10,199 | 180 | 22,072 |
| Pacifica | 125 | 650 | 2,250 | 375 | 1,200 | 3,975 | 2,626 | 11,201 |
| San Carlos | 90 | 1,473 | 2,250 | 0 | 2,713 | 1,600 | 0 | 8,126 |
| San Mateo | 22 | 1,390 | 2,250 | 2,062 | 3,250 | 1,260 | 0 | 10,234 |
| Hillsborough | 500 | 7,911 | 7,800 | 0 | 0 | 4,500 | 0 | 20,711 |

Source: Hillsborough fees from Town of Hillsborough, 1994; all others from Building Industry Association of Northern California, *Development Fee Survey for the San Francisco Bay Region*, 1991

Permit Processing Times

There are two basic means by which housing is developed in Hillsborough: through the construction of individual houses on existing lots, and through the subdivision of larger parcels. A Design Review approval and building permit for construction of a single house on an individual lot can be obtained in about 7-9 weeks. The subdivision process takes longer. Obtaining approval of a subdivision map requires about 10-11 weeks. (Both time frames depend on the completeness and accuracy of the materials submitted.) These time periods are reasonable by Bay Area standards. The Town processes subdivisions and building permits as efficiently as possible and is not aware of any changes that could be made to speed up this process.

Secondary Units

As of August 1994, Hillsborough does not permit detached secondary dwelling units. Attached units are permitted only if they are occupied by servants or employees of the occupants of the main residence. The zoning ordinance requires attached servants' quarters to have direct interior access to the main residential structure. Current State law requires cities to either adopt an ordinance permitting and regulating secondary units, or to abide by State regulations.¹⁶ State regulations permit attached or detached second units up to 1,200 square feet.

Non-governmental Constraints

Land Availability and Cost

For over a century, San Mateo County in general and Hillsborough in particular have been a highly desirable place to live. People from around the United States and the world, who have the

¹⁶ Government Code §65852.2

means to choose where they want to live, continue to choose Hillsborough. The result is a high demand for Hillsborough residences, with land and housing prices pushed up beyond what would be generated from local pressures alone. This makes it particularly difficult for local employees to afford housing in Hillsborough or for the town to provide housing for lower-income households. Because of the international demand for housing in Hillsborough, the cost of land and housing is well beyond the ability of local government to influence.

Environmental Constraints

Land use is further restricted by the steep terrain. Aptly named, Hillsborough is literally a borough of hills, with relatively few level building sites. Construction on steep hillsides requires careful siting to insure safety and prevent soil erosion, limiting the number of dwellings that can be built and increasing their cost.

In some parts of Hillsborough, storm drainage problems can be a constraint to housing development. Construction of housing increases the impervious surface and limits absorption of storm waters, increasing runoff. Some areas of Hillsborough drain into areas served by San Mateo, Burlingame, and County drainage facilities or unregulated private systems. Development in these areas requires the cooperation of the Town, San Mateo County, and individual homeowners.

Because of the combination of steep slopes and abundant vegetation in Hillsborough, wildfires may threaten residences. Policies 7-A through 7-C of the General Plan provide for Fire Department review of building plans, inspection of homes upon request, and guidelines for fire prevention landscaping. All new homes are required to have Class-A fire resistant roofs.

Construction Costs

The cost of constructing housing has risen enormously throughout the United States since 1970, and Hillsborough is no exception. The steep terrain adds further to the costs of construction. The engineering of foundations, construction of retaining walls, and the grading necessary for access roads, all push up the cost of building in Hillsborough. The difficulty of building in Hillsborough virtually guarantees that, even in the absence of governmental constraints, housing in Hillsborough will be very expensive. It is extremely unlikely that housing affordable to low and moderate income households can be constructed in Hillsborough under any circumstances without considerable government subsidy.

Financing

Financing is needed at three stages of the housing construction process: (1) Predevelopment. The developer must have financing to purchase the land and pay for planning, architecture, engineering, and holding the land (carrying costs) during the approval process. (2) Construction. The builder needs financing to pay for the costs of labor and materials. (3) Purchase. The homebuyer usually needs mortgage financing to purchase the completed dwelling. The availability of finan-

cing and the rate of interest can greatly affect the ability of developers and builders to produce housing and of consumers to purchase it. Lower interest rates generally result in more housing construction, while higher rates depress the rate of construction.

Overall, the high cost of financing construction is aggravated in areas like Hillsborough with difficult building conditions. Developers incur substantially higher predevelopment costs, and high interest rates multiply them. In 1994, interest rates moved up sharply after reaching historically low levels in 1993. It is not yet known to what extent the rise in interest rates will affect construction in Hillsborough.

Fair Housing

Hillsborough supports fair access to housing for all persons without regard to race, color, religion, sex, marital status, national origin, or ancestry. The town has not, in the past, had a specific mechanism for dealing with issues of housing discrimination. As part of this Housing Element, the Town will develop a program for identifying and resolving complaints of housing discrimination.

Opportunities for Energy Conservation

The Town of Hillsborough enforces current state standards for energy efficiency in new construction.

PART 2: HOUSING GOALS, POLICIES, AND PROGRAMS

What is a Goal?

Goals are long-range in nature; policies and programs are intermediate or short-range. *Goal, policy, and program* are defined below, printed with the typeface used in the Hillsborough Housing Element.

“Goal: A general, overall, and ultimate purpose, aim, or end toward which the Town will direct effort.”

“Policy : A specific statement of principle or of guiding actions which implies clear commitment but is not mandatory. A general direction that the Town elects to follow, in order to meet its goals.”

“Program: An action, activity, or strategy carried out in response to adopted policy to achieve a specific goal.”

“Language that is needed to further explain a particular goal, policy, or program immediately follows it and is indented in this manner. The clarifying language has the same force or obligation as the policy or program it explains.”

In summary, goals determine *what* should be done, and *where*. Policies and programs establish *who* will carry out the goals, *how*, and *when*. Text often explains *why*.

Quantified Objectives are required by §65583(b) of the Government Code to “establish the maximum number of housing units by income category that can be constructed, rehabilitated, and conserved over a five-year time period.” This Housing Element provides, for each Program where applicable, a Quantified Objective that estimates the number of units that can be created during the effective time period of this Housing Element, 1994–2002.

Goals, Policies, and Programs

Goal 1 Increase housing opportunities in Hillsborough and surrounding communities.

Policy 1-A Actively participate in meeting the housing needs of the community.

Program 1-A1 Create a Hillsborough Housing Commission to advise and assist the Town Council on housing issues.

The Housing Commission will be composed of five residents of Hillsborough who are interested in and informed about housing. The commission will meet on a regular basis (monthly or quarterly) to:

1. Evaluate and report to the Town Council on Hillsborough's progress in meeting housing Element Goals.
2. Work with other communities on cooperative solutions to regional housing problems. (For example, work with *nearby* communities to explore subregional housing needs and solutions; work with *similar* communities to explore legislative needs and changes.)
3. Develop innovative ideas, appropriate to the Hillsborough community, for increasing the availability of housing.

Responsibility: Town Council

Time Frame: 1995

Quantified Objective: Not Applicable (NA)

Program 1-A2 Assist the private sector in the normal housing development process in Hillsborough.

The prompt processing of subdivision applications and building permits has resulted in average construction rates consistent with projected demand for housing in Hillsborough. The Town will continue to assist in the housing development process.

Responsibility: Town Council

Time Frame: 1995-2002

Quantified Objective: 79 above moderate-income units

Program 1-A3 Continue the Town's contribution to the San Mateo County Homeless and Transitional Housing Trust Fund.

Hillsborough has been working jointly with the other cities and the County to provide funding for homeless shelters and transitional housing. Continuing to address this problem on a

regional basis is the most effective way to meet the special housing needs of those who are homeless and at-risk of becoming homeless.

Responsibility: Town Council

Time Frame: 1995-2002

Quantified Objective: \$6,600 annual funding.

Policy 1-B Use vacant land on the periphery of Hillsborough to increase housing opportunities.

Program 1-B1 Actively pursue annexation of land adjacent to Hillsborough when owners express an interest in housing development.

Although Hillsborough has a long border with unincorporated county territory, the town has no LAFCO-defined sphere of influence (SOI). Annexation of land would require petitioning LAFCO to change the SOI boundary and would depend on cooperation from neighboring cities. Nevertheless, because some landowners recognize the advantages of annexing their land into Hillsborough, the Town will cooperate with these owners to increase housing opportunities.

Responsibility: Planning Department, Town Council

Time Frame: 1995-2002

Quantified Objective: 16 moderate-income units.

Program 1-B2 Pursue joint development with the County, adjacent cities, and non-profit housing developers for land that cannot be annexed to Hillsborough.

Some housing development may be possible on land that remains in County jurisdiction. The Town can work with the appropriate government and non-governmental agencies for joint development of this land.

Responsibility: Planning Department, Town Council

Time Frame: 1995-2002

Quantified Objective: Eight moderate-income units.

Goal 2 Provide housing consistent with maintaining the character of the community.

Policy 2-A Allow subdivision of existing vacant lots larger than one acre.

Program 2-A1 Modify the zoning ordinance to permit subdivision of vacant parcels that are large enough to accommodate two or more half-acre lots, but which cannot meet street frontage or lot width requirements.

There may be some parcels that have enough total area to provide two or more residential lots, but which cannot be subdivided under current zoning regulations. These lots are either of unusual shape or are oriented so that the side of the lot fronting the street is not wide enough to provide two lots with the required 150-foot street frontage. By modifying the zoning ordinance to permit subdivision of these lots, Hillsborough can accommodate additional housing units without altering the large-lot residential character of the community. Any and all proposals to subdivide lots will be reviewed on a case-by-case basis. Applicants for subdivision will be expected to show that lot splits will not adversely affect neighboring properties. Additional standards may be imposed, such as requiring lots larger than one-half acre to make up for the smaller frontage. In developing the ordinance, the Town will consider an overlay district to limit subdivision to specific areas where impacts can be minimized.

Responsibility: Town Council

Time Frame: Zoning change 1995-96; Units 1996-2002

Quantified Objective: Five above moderate-income units

Policy 2-B Use a density bonus to create duplexes on some lots in future subdivisions.

Program 2-B1 Adopt a density bonus ordinance to encourage developers to provide duplexes, consistent with the architectural character of the other units in the subdivision.

State law requires cities to grant a 25 percent density bonus and one additional incentive to developers who provide 20 percent of the units in a project for low-income households. Given the large size of most new units constructed in Hillsborough, developers could construct duplex units of adequate size that are identical in bulk and similar in design and appearance to the single-family units in the same development or neighborhood. (For example, a developer subdivides a site into four parcels. Three of the parcels are for single-family houses. The fourth parcel is permitted to have a duplex, provided the owner rents at least one of the two duplex units to a family earning less than 80 percent of the area median income.) The Town will adopt standards and design guidelines to ensure that any and all duplexes constructed will be consistent with the character of the neighborhood. Construction of any duplexes will require a use permit.

Responsibility: Town Council

Time Frame: Ordinance 1995-96; units 1996-2002

Quantified Objective: Three low-income units

Policy 2-C Allow the conversion of single-family homes to duplexes where it would not compromise the character of the neighborhood.

Program 2-C1 Create an overlay district in appropriate areas of town where larger homes could be converted to duplexes with a use permit.

Some large Hillsborough homes have ample space for two dwelling units within the existing structure. Some of these homes also have parking areas sufficient to accommodate two units. Conversion of such units would be permitted only upon granting of a use permit following public hearings and environmental review.

Responsibility: Town Council

Time Frame: Ordinance 1995-96; units 1996-2002

Quantified Objective: Two low-income units

Goal 3 Provide a continuum of housing opportunities for the members of the Hillsborough community in all stages of life.

Policy 3-A Allow board and care facilities for elderly Hillsborough residents who wish to remain in the community.

Program 3-A1 Continue to allow, in accordance with State law, board and care facilities for six or fewer residents.

State law¹⁷ provides that residential care facilities (defined as a facility serving six or fewer persons) are considered a residential use and must be permitted wherever residential uses are allowed. The 1994 Hillsborough Housing Survey showed that nearly two-thirds of Hillsborough's very low- and low-income residents were age 65 and over. All of these residents had lived in Hillsborough for more than five years; many indicated that they had lived here for 20, 30, or more years. The results of this survey indicate that there will be substantial demand for elderly care facilities by Hillsborough residents. This program will permit some long term Hillsborough residents who can no longer remain in their homes to continue living in Hillsborough.

Responsibility: Town Council

Time Frame: 1995-2002

Quantified Objective: Four units serving 24 very low-income residents

Program 3-A2 Create a zoning overlay district to allow residential care facilities for seven or more residents in specific areas as may be approved by the Town.

Under this program, residential care facilities for seven or more persons would require a use permit and would be permitted only in designated areas where any impacts on the town or neighborhood can be minimized.

¹⁷ Health and Safety Code §1568.031

Responsibility: Town Council

Time Frame: Ordinance 1995-96; units 1996-2002

Quantified Objective: Two units housing seven very low-income residents and eight low-income residents

Policy 3-B Permit the renting of rooms in Hillsborough homes to provide additional housing opportunities for single people.

Program 3-B1 Allow the renting of individual rooms in Hillsborough houses with use permit.

As the Hillsborough population has aged, many homes now house fewer residents than they were originally designed for. At the same time, Hillsborough provides no housing for Hillsborough's own single people (for example, recent college graduates or recently divorced persons). Allowing the renting of individual rooms—subject to Town standards and securing a Town Business License—can make existing surplus space legally available to people who are not officially currently housed in Hillsborough.

Responsibility: Town Council

Time Frame: Ordinance 1995-96; units 1996-2002

Quantified Objective: Five rental spaces for very low-income residents

Program 3-B2 Support and promote the shared housing concept.

Some residents who have available surplus space may wish to share that space or rent it in return for income or care, but may be reluctant to rent to strangers. Shared housing programs, such as the one administered in San Mateo County by the non-profit Human Investment Project, match persons needing housing with those who have available space. The Human Investment Project interviews applicants and providers and negotiates terms to assure a proper match between individuals' lifestyles. Allowing sharing and/or rentals of this type, subject to Town standards, would help to reduce the concerns of potential housing providers and thus provide affordable housing.

Responsibility: Town Council

Time Frame: 1995-2002

Quantified Objective: Five very low-income units

Policy 3-C Allow secondary units within the existing building area of Hillsborough homes.

Program 3-C1 Modify the zoning ordinance to allow distinct living units to be created within existing homes without increasing building size or altering the external appearance in any major way.

State law¹⁸ requires cities to either adopt an ordinance regulating second units or to permit such units in accordance with State rules. The State regulations would allow detached units up to 1,200 sq. ft. or attached units that could be as large as 30 percent of the existing (main house) living area. These units would be permitted in all residential zoning districts. By adopting a second unit ordinance, Hillsborough can impose additional standards on second units, including limits on the size and location of units.

Hillsborough currently does not permit “second units” as they are defined by State law. Hillsborough’s Zoning Ordinance currently permits only one dwelling unit per lot, but an exception is made for living quarters for domestic workers. The servants quarters may have a separate kitchen, but must be attached to and accessible from the main dwelling unit. By modifying the zoning ordinance to permit such secondary units to have a separate entrance, Hillsborough can provide a few additional housing opportunities. The modifications to the zoning ordinance can be written to insure that the additional units will not alter the lot coverage or appearance of the host structure except in minor detail. Second units will be allowed only with a use permit.

Responsibility: Town Council

Time Frame: Ordinance 1995-96; units 1996-2002

Quantified Objective: Six very low-income units, nine low-income units

Policy 3-D Allow existing secondary units to be used for rental housing whether the unit is attached to the main house or is a separate detached unit.

Program 3-D1 Create a process to legalize existing second units.

Prior to 1983, Hillsborough permitted “Detached Servant’s Quarters” with a use permit. Owners who held valid permits at that time could continue to use the units for housing domestic workers until 2013, by registering the units and submitting an annual declaration. No owners have complied with these registration provisions, so all previously issued permits for detached servants quarters have been revoked. In no case were these units permitted to be used for rental purposes. By enabling owners of existing second units to legalize (obtain permits for) these units, and by permitting the units to be rented, the Town can enhance the safety of occupants while maintaining the availability of existing rental units.

Responsibility: Town Council

Time Frame: Ordinance 1995-96; units 1996-2002

Quantified Objective: Conserve 15 very low-income units, 5 low-income units.

¹⁸ Government Code §65852.2

Policy 3-E Permit institutions located within Hillsborough to provide housing for employees.

Program 3-E1 Modify the zoning ordinance to permit employee housing on institutional property in Hillsborough with a use permit.

The Burlingame Country Club and the two private schools provide a total of three housing units for employees. By modifying the zoning ordinance to allow such institutions to build small units which would not be subject to the half-acre minimum lot size, the Town can create opportunities for a small number of employees of these institutions to live on-site, in Hillsborough. Such housing, in a modest way, can help to reduce commute traffic.

Responsibility: Town Council

Time Frame: Ordinance 1995-96; units 1996-2002

Quantified Objective: One very low-income unit; three low-income units

Goal 4 Eliminate discrimination in housing based on age, race, color, religion, sex, marital status, national origin, ancestry or occupation.

Policy 4-A Develop a process for receiving and processing complaints of housing discrimination.

Program 4-A1 Designate a Town official or appropriate non-profit organization to receive and investigate housing discrimination complaints.

Many small cities and towns have found that the most effective means of resolving housing discrimination problems is to contract with a non-profit agency with expertise in the field. In San Mateo County, Operation Sentinel and Mid-Peninsula Citizens for Fair Housing provide this service. The Town will contact these or other agencies to contract for Fair Housing Services in Hillsborough. The Fair Housing Program will be advertised annually in the Town Newsletter.

Responsibility: Town Council

Time Frame: 1995-1996

Quantified Objective: NA

Summary of Quantified Objectives

Figure 9 summarizes the Town's quantified objectives for the housing programs listed above.

The Housing Needs Analysis section of this Housing Element identified a need for 119 units to accommodate additional households by 2002 and an additional 29 units to provide a vacancy rate of 4.5 percent. The quantified objectives for 148 units will adequately meet these projected housing needs. Only 132 of the projected units meet the HCD and census definition of a new "housing unit." (These units are shown in Figure 9 under "New Construction.") Sixteen of the

projected units represent new housing opportunities, even though they do not qualify as “new construction.” (These units are shown in Figure 9 under “Conversion of Existing Units.”) In addition to the 148 units added to the housing stock by the programs listed in Figure 9, Program 3-D1 provides for the conservation of 15 very low- and five low-income units. These units are not shown in Figure 9 because they do not represent additional housing opportunities, but represent the Town’s attempt to preserve existing affordable housing.

ABAG had projected Hillsborough’s need by income category for the 1988-1995 period as 15 percent very low-income, 12 percent low-income, 16 percent moderate-income, and 57 percent above moderate-income. The percentages Hillsborough can achieve for the 148 units during the 1994–2002 time period are shown at the bottom of Figure 9. □

FIGURE 9. SUMMARY OF QUANTIFIED OBJECTIVES, 1994–2002

| Program No. | | Very Low-income | Low-income | Moderate-income | Above Moderate-income | Total, All Units |
|--|---|-----------------|--------------|-----------------|-----------------------|------------------|
| New Construction | | | | | | |
| 1-A2 | Normal housing development process | — | — | — | 67 | 67 |
| 1-B1 | Pursue annexation of adjacent land | — | — | 16 | — | 16 |
| 1-B2 | Joint development with the County, adjacent cities, and non-profit housing developers | — | — | 8 | — | 8 |
| 2-A1 | Subdivision of vacant parcels that are large enough to accommodate two or more lots | — | — | — | 5 | 5 |
| 2-B1 | Density bonus ordinance | — | 3 | — | 12 | 15 |
| 2-C1 | Overlay district for conversion to duplexes | — | 2 | — | — | 2 |
| 3-C1 | Allow second units, with use permit | 6 | 9 | — | — | 15 |
| 3-E1 | Employee housing on institutional property | 1 | 3 | — | — | 4 |
| Total New Construction | | 7 | 17 | 24 | 84 | 132 |
| Conversion of Existing Units | | | | | | |
| 3-A1 | Board and care facilities for six or fewer | 4 | — | — | — | 4 |
| 3-A2 | Residential care facilities for seven or more | 1 | 1 | — | — | 2 |
| 3-B1 | Allow renting of rooms, with use permit | 5 | — | — | — | 5 |
| 3-B2 | Shared housing | 5 | — | — | — | 5 |
| Total Units Converted | | 15 | 1 | — | — | 16 |
| Total Quantified Objectives | | 22 | 18 | 24 | 84 | 148 |
| Percent | | 14.9% | 11.5% | 16.2% | 57.4% | 100% |
| County Income Group Percentages, 1990 | | 18.0% | 10.0% | 25.0% | 47.0% | 100% |

APPENDIX A. SURVEY QUESTIONNAIRE

HOUSING SURVEY

⇒ DO YOU LIVE IN HILLSBOROUGH?

⇒ IS YOUR TOTAL HOUSEHOLD INCOME LESS THAN \$46,000 A YEAR?

IF SO, WE WANT TO HEAR FROM YOU ABOUT THE HOUSING IN WHICH YOU LIVE. If you make more than \$46,000, DO NOT complete this survey. If you know a family that DOES earn less than \$46,000, please pass this questionnaire on to them.

According to the 1990 U.S. Census, 12 percent of Hillsborough's families earn less than 80 percent of the median income for the Bay Area. This year, "80 percent of the median income" is \$46,080. The planning staff and consultants are drafting a Housing Element for the Hillsborough General Plan for Town Council review. We have almost no information about the kinds of housing units occupied by families like you who live here, but who earn less than the Hillsborough median income. **YOUR ANSWERS WILL HELP US TREMENDOUSLY.**

THIS SURVEY IS STRICTLY CONFIDENTIAL. Only the TOTALS from this survey will be used in a report. NO INDIVIDUAL REPLIES WILL BE DISCLOSED TO **ANYONE**. We do not ask and we do not want to know your name or address.

To complete this survey, CHECK THE BOXES or circle the numbers that best describe you, your home, and your family. Answer as many questions as you can. FOLD the completed survey AS SHOWN ON THE DOTTED LINES so the return address shows. When folded with the Town's address showing, TAPE in one place as shown, add a 29-cent stamp, and MAIL the completed survey. Please return this survey **BY AUGUST 19. THANK YOU!**

1. My total household income (INCLUDING all wage earners who live with me) is:
 - ☐ Less than \$28,800 per year.
 - ☐ Between \$28,800 and \$46,080 per year.
 - ☐ More than \$46,080 per year.
2. Do you live in a home by yourself or with your own family?
 - ☐ Yes, I live in a home or apartment by myself.
 - ☐ Yes, I live in a home or apartment with my own family.
 - ☐ No, I share a home or apartment with someone other than my own family.

3. How many years have you lived in your present home? (Circle one number.)
1 2 3 4 5 or more
4. How many people, **INCLUDING YOURSELF**, live with you in the same unit you consider to be your home? (Circle one number below.)
1 2 3 4 5 or more
5. How many people in your family (**NOT INCLUDING CHILDREN 18 AND OVER**) do **NOT** live with you in the same unit you consider to be your home? (Circle one number below; count college students as **NOT LIVING WITH YOU**.)
1 2 3 4 5 or more
6. Do you own your present home?
☐ Yes, I own the house or apartment I live in.
☐ No, I pay rent for my home, apartment, or room.
☐ No, I live here rent-free in return for work I do or care I provide.
7. Is your home or apartment part of another house or building?
☐ Yes, my house or apartment is part of another house.
☐ Yes, my house or apartment is part of (above or attached to) a garage.
☐ No, my home is free-standing on its own lot.
☐ No, my home is free-standing, but it is on a lot with another house.
8. Are you age 65 or older?
☐ No.
☐ Yes.
9. Do you have any children living with you in your present home who are age 17 or under?
☐ No.
☐ Yes. (Tell us how many; circle one number below.)
1 2 3 4 5 or more
10. Are you a female **AND** the head of your household?
☐ Yes.
☐ No, I am female, but I do not head the household.
☐ No, I am male.
11. My zip code is:
☐ 94010 ☐ Other (_____)

THANK YOU! Please mail your completed survey by August 19 to Town Planner, 1600 Floribunda Avenue, Hillsborough, 94010. If you have other information or thoughts about housing in Hillsborough, or if you want to help us prepare the housing chapter, please send us a separate letter or call us at 579-3816.

APPENDIX B. RESPONSES TO HILLSBOROUGH HOUSING SURVEY

| | | Number | Percent |
|-----|--|--------|---------|
| 1. | My total household income is: | | |
| | Less than \$28,800 per year. | 28 | 41.2% |
| | Between \$28,800 and \$46,080 per year. | 40 | 58.8% |
| 2. | Do you live in a home by yourself or with your own family? | | |
| | Yes, I live in a home or apartment by myself. | 23 | 33.8% |
| | Yes, I live in a home or apartment with my own family. | 38 | 55.9% |
| | No, I share a home or apartment with someone other than my own family. | 6 | 8.8% |
| | Did not answer | 1 | 1.5% |
| 3. | How many years have you lived in your present home? | | |
| | 1 year | 1 | 1.5% |
| | 2 years | 4 | 5.9% |
| | 3 years | 2 | 2.9% |
| | 4 years | 0 | 0.0% |
| | 5 or more years | 61 | 89.7% |
| 4. | How many people, <i>including yourself</i>, live with you in the same unit you consider to be your home? | | |
| | 1 (live alone) | 23 | 33.8% |
| | 2 | 27 | 39.7% |
| | 3 | 12 | 17.6% |
| | 4 | 4 | 5.9% |
| | 5 or more | 2 | 2.9% |
| 5. | How many people in your family (not including children 18 and over) do not live with you in the same unit you consider to be your home? | | |
| | Insufficient response; invalid data | | |
| 6. | Do you own your present home? | | |
| | Yes, I own the house or apartment I live in. | 57 | 83.8% |
| | No, I pay rent for my home, apartment, or room. | 2 | 2.9% |
| | No, I live here rent-free in return for work I do or care I provide. | 9 | 13.2% |
| 7. | Is your home or apartment part of another house or building? | | |
| | Yes, my house or apartment is part of another house. | 3 | 4.4% |
| | Yes, my house or apartment is part of (above or attached to) a garage. | 4 | 5.9% |
| | No, my home is free-standing on its own lot. | 58 | 85.3% |
| | No, my home is free-standing, but it is on a lot with another house. | 3 | 4.4% |
| 8. | Are you age 65 or older? | | |
| | No. | 28 | 41.2% |
| | Yes. | 40 | 58.8% |
| 9. | Do you have any children living with you in your present home who are age 17 or under? | | |
| | No. | 59 | 86.8% |
| | 1 | 4 | 5.9% |
| | 2 | 4 | 5.9% |
| | 3 | 0 | 0.0% |
| | 4 | 0 | 0.0% |
| | 5 or more | 1 | 1.5% |
| 10. | Are you a female AND the head of your household? | | |
| | Yes. | 34 | 50.0% |
| | No, I am female, but I do not head the household. | 9 | 13.2% |
| | No, I am male. | 25 | 36.8% |

RESOLUTION NO. 95 - 2

RESOLUTION OF THE CITY COUNCIL
OF THE TOWN OF HILLSBOROUGH TO APPROVE AN
AMENDMENT TO THE LAND USE ELEMENT OF THE GENERAL PLAN

RESOLVED, by the City Council of the TOWN OF HILLSBOROUGH, County of San Mateo, State of California, that:

WHEREAS, State Government Code Section 65350 requires that every city prepare, adopt, and amend a General Plan;

WHEREAS, in 1994, the Town of Hillsborough initiated a comprehensive revision of the Housing Element of the General Plan; and

WHEREAS, in so doing, some discrepancies in some of the data contained in the Land Use Element of the General Plan adopted in 1994 became evident; and

WHEREAS, the City Council adopted a resolution in July of 1994 regarding annexation policy; and

WHEREAS, a duly noticed public hearing was held on January 9, 1995; and

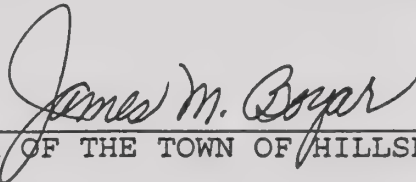
WHEREAS, at its meeting of January 9, 1995, the City Council determined that it would be in the Town's best interest to amend the Land Use Element to correct and update the text and tables on pages 1-10 through 1-12 and, on page 1-17, to reflect the annexation policy, as specified in Resolution 94-22; and

WHEREAS, an EIR was certified on February 14, 1994 for the General Plan and these minor changes are consistent with the analysis in that EIR.

NOW, THEREFORE, BE IT RESOLVED that:

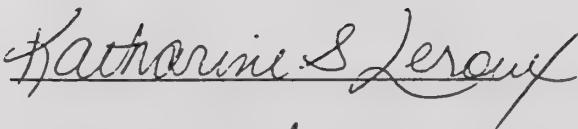
1. Pages 1-10 through 1-12 and page 1-17 dated January 9, 1995 and attached hereto as Exhibit A, and by reference incorporated herein, are hereby adopted in place of the corresponding pages currently contained in the Land Use Element of the General Plan adopted on February 14, 1994.

2. This resolution shall be printed and posted upon the three official bulletin boards of the Town of Hillsborough.



MAYOR OF THE TOWN OF HILLSBOROUGH

ATTEST:



City Clerk - Acting

I hereby certify that the foregoing is a true and correct copy of the Resolution adopted by the City Council of the Town of Hillsborough, California, at its regular meeting held on the 9th day of January, 1995, by the following vote of the members thereof:

| | | |
|----------|-----------------|--|
| AYES: | Council Members | <u>Adams, Auer, Kelly, Mullooly, Boyar</u> |
| NOES: | Council Members | <u>None</u> |
| ABSENT: | Council Members | <u>None</u> |
| ABSTAIN: | Council Members | <u>None</u> |

EXISTING SETTING AND TRENDS**LAND USE 1/9/95**

town. Comparing the Figure 1-5 with the development map shows that many of the lots greater than one acre are in areas of slopes greater than 15 percent.

LOTS BETWEEN ONE-HALF ACRE AND ONE ACRE. These parcels are not considered eligible for further subdivision as no lot may be less than one-half acre in size.

SUBSTANDARD LOTS UNDER ONE-HALF ACRE. These lots are under one-half acre in spite of the town's current minimum one-half acre lot size. These lots are generally found in the low lands on the easterly side of town near the town's border with the cities of Burlingame and San Mateo.

Potential for Future Development. Expectations for how much the Town of Hillsborough may grow, based on existing land use designations, may be derived from analyzing existing land uses. Table 1-3 shows how existing vacant land may be developed, given existing land use designations and current zoning regulations. Those properties subject to potential additional development include subdividable estates, lots of one acre or more, subdivisions under study and individual vacant lots. Development of this land could result in up to 176 additional homes. Each land use type for potential development is explained in the following descriptions.

SUBDIVIDABLE ESTATES. Two remaining large estates, the Regan property of 49 acres and the De Guigne property of 47 acres, are included in this category. Although the town has not received any indication from the property owners that subdivision is or ever will be proposed, it would be possible to subdivide these properties into individual lots. The ability of these sites to accommodate new dwellings is limited by the need to provide access and the need to increase lot sizes on steeply sloping land. As a result of these limitations, these properties would be expected to eventually accommodate only twenty additional units.

EXISTING SETTING AND TRENDS

LAND USE 1/9/95

TABLE 1-3. TOWN OF HILLSBOROUGH POTENTIAL DEVELOPMENT SUMMARY TABLE

| VACANT LAND DESCRIPTION | ACREAGE | BUILDOUT POTENTIAL |
|--------------------------|---------|-----------------------|
| Subdividable Estates | 96 | 20 |
| Subdivisions Under Study | 53 | 24 |
| Lots of One Acre or More | 32 | 9 |
| Individual Vacant Lots | 96 | 123 |
| TOTAL | 297 | 176 |

Source: Town of Hillsborough, 1995 Housing Element

EXISTING SETTING AND TRENDS**LAND USE 1/9/95**

SUBDIVISIONS UNDER STUDY. This category includes properties for which subdivisions have been approved, but where development has not yet occurred, and subdivisions currently under consideration. Review of individual proposals indicates a potential for 24 new dwellings, as follows: Callan property, 8 lots and 8 new homes possible; Henderson property, 6 lots and 5 new homes; Brooke Court, 3 lots and 3 new homes; Pullman property, 2 lots and 2 new homes; Metaxas property, 4 lots and 3 new homes; Black Mountain/Avendale, 3 lots and 3 new homes.

LOTS OF ONE ACRE OR MORE. As with the subdividable estates, these sites could conceivably be divided into lots for new homes. The provisions for streets and the restrictions regarding slopes would reduce the net buildable land area. This category includes the 20 acre Carolands Co. property and the 12 acre L.C. Smith Ranch property.

INDIVIDUAL LOTS. There are a number of individual lots scattered throughout Town which are vacant and can potentially be developed. While some of these lots may contain more than one acre, the slope, street frontage and access constraints may limit their development potential to only one house. Each vacant lot has been preliminarily reviewed on a lot-by-lot basis concluding in an estimated total building potential of 123 homes.

SCHOOLS. Schools in the town include public schools in the Hillsborough City School District and private schools including the Nueva Learning Center and Crystal Springs Uplands School. The location of schools in the town is shown on the Existing Development Map for the Town of Hillsborough.

PUBLIC ELEMENTARY SCHOOLS. Schools in the Town of Hillsborough are considered excellent. The following public elementary schools are in the Hillsborough City School District (Taylor, 1991):

South School provides education for students from kindergarten to fifth grade. Enrollment as of 1993 was 248 students. South School is considered to be at capacity.

North School provides education for students from kindergarten to fifth grade. Enrollment as of 1993 was 275 students. The North School is considered to have remaining capacity for another 100 or more students.

West School provides education for students from kindergarten to fifth grade. Enrollment as of 1993 was 250

EXISTING SETTING AND TRENDS**LAND USE 1/9/95**

Sanitary flow is an average of 0.99 mgd and a peak of 1.83 mgd. Wet weather flow is an average of 1.75 mgd and a peak of 2.58 mgd. These figures show that the town does have problems with rainwater runoff infiltrating sewers.

The town has conducted an inflow/infiltration study that recommends further identification and correction of infiltration areas. The study also recommends the development of a Wastewater Facilities Master Plan. Future growth in the town would not likely be constrained by the capacity of the existing plants assuming existing land use designations. If the town were to surpass the development of more than 200 units on the Burlingame System, this would require special study to determine if capacity was available (Kirkup, 1991). The City of San Mateo has not indicated a limit to the amount of sewage treatment capacity that can be used by Hillsborough. Wet weather flow capacity problems can be largely remediated by resolving inflow and infiltration problems. The Town of Hillsborough has participated in the improvement of wastewater treatment facilities in San Mateo and Burlingame.

Potential for Annexation. The town's sphere of influence is currently equal to the town limit line as shown in Figure 1-4. The Council passed Resolution 94-22 indicating that the Council would oppose a proposal to annex any property currently within the urban limits of another city. The Town would, however, consider, and actively pursue, annexing unincorporated San Mateo County land, specifically to increase housing opportunities with the town. Since the town is currently essentially land locked by the City of Burlingame and its sphere of influence and the City of San Mateo and its sphere of influence, such annexation would require petitioning the Local Agency Formation Commission (LAFCO) and would require the cooperation of the adjoining communities to amend the spheres of influence boundaries.

Historic Resources. Hillsborough is a community well known throughout the Bay Area and California as a town of elegant homes and well maintained gardens. Much of this recognition and appeal



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Subject: ...

Page 222 1/10/92

EXHIBIT ...

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